



**GSA Public Buildings Service**

December 10, 2021

**Via Email**

Adam L. Rosen, Esq.  
Assistant General Counsel  
Trump Old Post Office LLC  
725 Fifth Avenue  
New York, New York 10022

Re: Ground Lease, dated as of August 5, 2013 (as amended, the “Ground Lease”), by and between the United States of America, acting by and through the Administrator of General Services and Trump Old Post Office LLC

Dear Mr. Rosen,

The U.S. General Services Administration (“GSA”) is in receipt of your letter dated November 24, 2021, regarding the proposed assignment of Tenant’s interest in the Ground Lease to a subsidiary of CGI Merchant Group, LLC.<sup>1</sup> As further discussed herein, Landlord has not received “all necessary Qualified Transferee Information” in accordance with Section 15.3 of the Ground Lease. Accordingly, the forty-five (45) day review period has not started.<sup>2</sup>

As an initial matter, the Ground Lease requires Tenant to provide “detailed information evidencing that the proposed Transferee qualifies as a Qualified Transferee.”<sup>3</sup> The Ground Lease defines a Qualified Transferee as a Transferee who:

(i) will use the Premises for the Permitted Use in accordance with the Applicable Standard,

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<sup>1</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Ground Lease.

<sup>2</sup> See Ground Lease, Section 15.3

<sup>3</sup> Ground Lease, Section 15.3

- (ii) is authorized (or qualified) to do business in the District of Columbia,
- (iii) has a good business reputation and is not an Excluded Contractor,
- (iv) has demonstrable prior successful experience in owning and operating (either itself or a Person holding a controlling interest (which satisfies items (i), (ii) and (iii) in the definition of Control) in the transferee) a full-service hotel of quality equal to or better than the Applicable Hotel Standard (which operating experience element of this clause (iv) can be satisfied if a Qualified Operator is retained at the Premises),
- (v) has sufficient capability to manage properties of historic significance (which clause (v) can be satisfied if a Qualified Operator is retained at the Premises),
- (vi) has sufficient financial capacity to perform its obligations under this Lease, and the financial condition and operating performance of the transferee is similar to or better than the financial condition and operating performance of the initial Tenant under this Lease, and
- (vii) has a Person holding a controlling interest (which satisfies items (i), (ii) and (iii) in the definition of Control) in the transferee that has Access to Liquidity equal to or greater than such Person's share of the direct and indirect interests in Tenant multiplied by Thirty Million Dollars (\$30,000,000) (escalated for inflation in accordance with CPI) and a Net Worth of equal to or greater than such Person's share of the direct and indirect controlling interests in Tenant multiplied by \$100 Million (escalated for inflation in accordance with CPI).<sup>4</sup>

It would have been extremely helpful to GSA if Tenant had broken out each of these seven requirements and provided detailed information to show how the Transferee satisfies each particular requirement. For example, (b) (4)

[REDACTED]

(b) (4)

[REDACTED]


(b) (4)

[REDACTED]

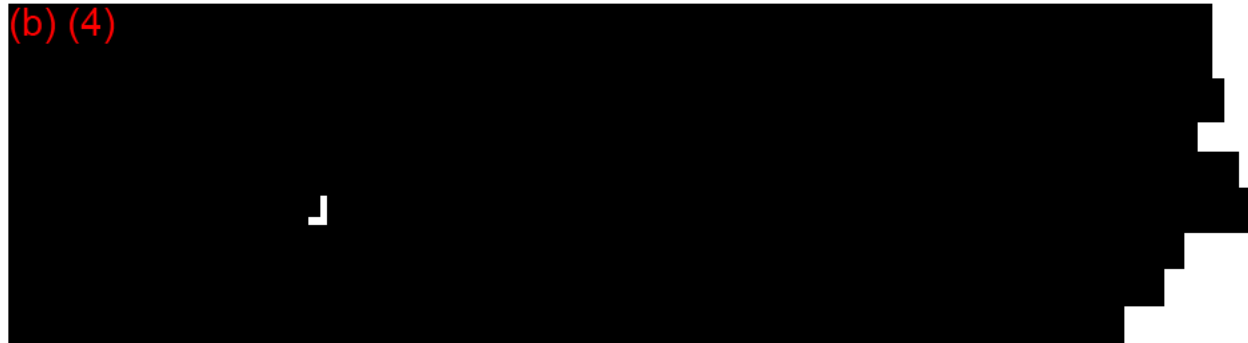
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<sup>4</sup> Ground Lease, Definitions.

(b) (4)



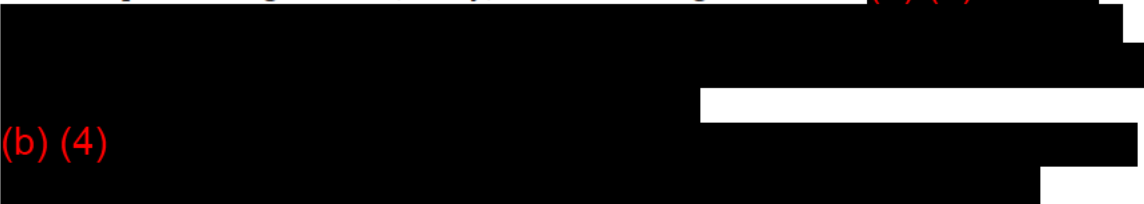
(b) (4)



In addition to the above, GSA will need Tenant to provide answers to the following questions and/or submit the additional documentation requested:

1. Please Provide “Manager’s ESG Strategy and business plan.”
2. Please provide the “property improvement plan – PIP.”
3. When will the transition plan be done? Please provide a copy.
4. Please confirm Transferee’s understanding of the Programmatic Agreement, and requirements with National Capital Planning Commission (NCPC) and Commission of Fine Art (CFA). Please include a schedule for completion for meeting these regulatory requirements.
5. Please explain the significance, if any, of the following statement: “(b) (4)

6. (b) (4)



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<sup>5</sup> “‘Control’ or ‘control’ shall mean, with respect to any Person (i) the right to exercise, directly or indirectly, by ownership, proxy, voting agreement or otherwise, twenty-five percent (25%) or more of the voting rights attributable to the controlled Person, or (ii) the ownership directly or indirectly of twenty-five percent (25%) or more of the legal or beneficial interests in the controlled Person, or (iii) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting interests, by contract or otherwise, and whether or not subject to the right of any other Person to vote on, or approve, commercially reasonable major decisions.”

(b) (4)

Please provide additional information on the Fund.

7. (b) (4) ? Please provide details on the impacts and experience with historic properties of the asset.

8. (b) (4) Please explain.

9. (b) (4)

”

10. Who is the lender?

11. It looks like (b) (4)

?

12. Please provide a copy of the Purchase and Sales Agreement.

13. Please provide a copy of an Operating ProForma.

14. Please explain how Transferee complies or will comply with Section 3.2(a) of the Ground Lease.

15. Please provide copies of the contracts and agreements that have been or will be entered into (b) (4) including the duration of the initial term of that agreement.

16. Please make a representation to GSA as to whether the Trump Organization will have any continuing interest in the property after the contemplated transfer has been completed.

Please feel free to contact me at (202) 420-1854 if you have any questions.

Sincerely,

*Kevin M. Terry*

Kevin M. Terry Digitally signed by Kevin M. Terry  
Date: 2021.12.10 11:23:49 -0500

Kevin M. Terry  
Contracting Officer